



# Weekly Economic Highlights

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Week Ending  
21<sup>st</sup> May 2021

## 1. INTEREST RATES

### Deposit Rates

During the week ending 21<sup>st</sup> May 2021, minimum deposit rates for savings deposits and deposits of 1-month and 3-month tenors remained unchanged at preceding week levels. Similarly, maximum deposit rates for savings deposits and deposits of 1-month tenor were unchanged during the same period. Maximum deposit rates for deposits of 3-month tenor, however, registered a marginal increase of 0.05 percentage points to close at 11.72%, as shown in Table 1.

**Table 1: Average Deposit Rates (per annum)**

Date	Savings deposits (%)		1- Month deposit rates (%)		3- Month deposit rates (%)	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
23-Apr-21	1.57	4.04	5.03	10.71	6.82	11.78
30-Apr-21	1.57	4.04	5.03	10.71	6.82	11.78
7-May-21	1.57	4.04	5.19	10.83	6.89	11.67
14-May-21	1.57	4.04	5.19	10.83	6.89	11.67
21-May-21	1.57	4.04	5.19	10.83	6.89	11.72

Source: Reserve Bank of Zimbabwe, 2021

### Lending Rates

Maximum and minimum lending rates at commercial banks for both individual and corporate clients registered declines during the week of analysis, as shown in Table 2.

**Table 2: Lending Rates (per annum)**

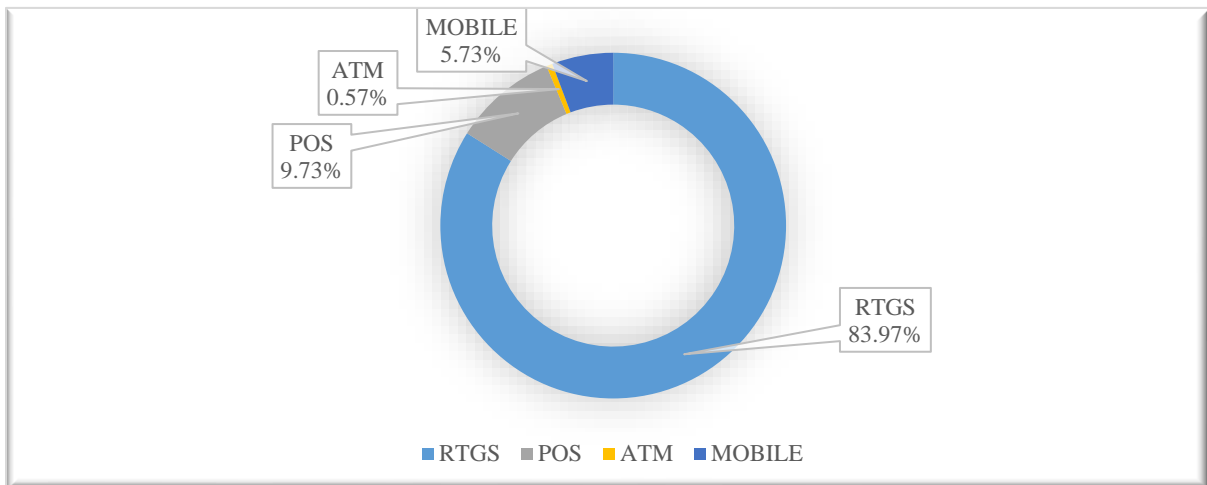
Date	Individual Clients		Corporate Clients	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
23-Apr-21	35.22	57.08	22.59	59.75
30-Apr-21	35.22	57.08	22.59	59.75
7-May-21	35.91	57.17	22.46	59.80
14-May-21	35.91	57.17	22.49	59.80
21-May-21	34.84	56.21	21.76	59.67

Source: Reserve Bank of Zimbabwe, 2021

## 2. CLEARING AND SETTLEMENT ACTIVITY

The value of transactions processed through the National Payment System (NPS) declined by 4.22% to close at ZW\$102.97 billion, during the week under analysis. Real Time Gross Settlement (RTGS) transactions fell by 4.70% to close at ZW\$86.46 billion, during the same week. The NPS transaction values were distributed as follows: RTGS, 83.97%; POS, 9.73%; Mobile, 5.73% and ATM, 0.57%.

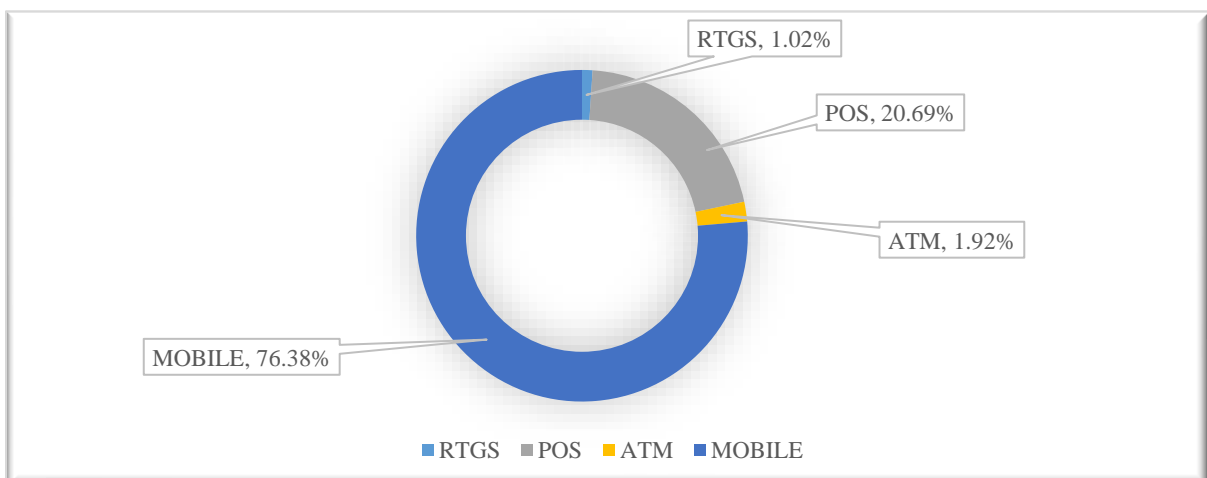
**Figure 1: Composition of NPS Transactions in Value Terms**



Source: Reserve Bank of Zimbabwe, 2021

NPS transaction volumes at 21.93 million were 8.60% lower, compared to 23.99 million recorded in the previous week. The distribution of NPS transaction volumes was as follows: Mobile, 76.38%; POS, 20.69%; ATM, 1.92% and RTGS, 1.02%.

**Figure 2: Composition of NPS Transactions in Volume Terms**



Source: Reserve Bank of Zimbabwe, 2021

**Table 3: National Payment Systems Activity**

PAYMENT STREAM	WEEK ENDING 14 <sup>th</sup> MAY 2021	WEEK ENDING 21 <sup>st</sup> MAY 2021	% CHANGE FROM LAST WEEK	PROPORTION %
<b>Values in ZW\$ Millions</b>				
RTGS	90,728.79	86,468.55	-4.70%	83.97%
POS	9,675.43	10,022.31	3.59%	9.73%
ATM	698.72	581.81	-16.73%	0.57%
MOBILE	6,408.38	5,901.19	-7.91%	5.73%
<b>TOTAL</b>	<b>107,511</b>	<b>102,973.86</b>	<b>-4.22%</b>	<b>100%</b>
<b>Volumes</b>				
RTGS	222,141	223,519	0.62%	1.02%
POS	4,521,315	4,536,113	0.33%	20.69%
ATM	346,679	420,597	21.32%	1.92%
MOBILE	18,901,488	16,747,062	-11.40%	76.38%
<b>TOTAL</b>	<b>23,991,623</b>	<b>21,927,291</b>	<b>-8.60%</b>	<b>100%</b>

Source: Reserve Bank of Zimbabwe, 2021

### 3. TOBACCO SALES

The cumulative quantity of tobacco sold by the end of the 32<sup>nd</sup> day of the 2021 tobacco selling season was 108.99 million kilograms. This reflected a 34.64% increase from 80.94 million kilograms sold during the same period in 2020. The value of tobacco sold was 56.83% higher at US\$292.49 million, from \$186.50 million realized during the same period in 2020.

**Table 4: Weekly Cumulative Tobacco Sales: Day 32 (21<sup>st</sup> May 2021)**

	2020	2021	Variance (%)
<b>Cumulative quantity sold (million kilograms)</b>	80,948,497	108,989,630	34.64
<b>Average price (US\$/kg)</b>	2.30	2.68	16.48
<b>Cumulative value (US\$ million)</b>	186,502,035	292,491,077	56.83

Source: Tobacco Industry and Marketing Board (TIMB), 2019

The golden leaf fetched a higher average price of US\$2.68 per kilogram, compared to the average price of US\$2.30 per kilogram realised during the same period in 2020.

## 4. INTERNATIONAL COMMODITY PRICE DEVELOPMENTS

On the global markets, prices for selected commodities were subdued, during the week under review, amid the slide in the industrial demand for commodities in China. Gold prices, however, remained upbeat during the week largely on account of a weaker US dollar. Table 4 shows the developments in selected commodity prices, during the week under review.

**Table 5: Metal and Crude Oil Prices for the week-ending 21<sup>st</sup> May 2021**

	Gold	Platinum	Copper	Nickel	Crude Oil
2021	US\$/ounce	US\$/ounce	US\$/tonne	US\$/tonne	US\$/barrel
<b>Weekly Average (10 – 14 May)</b>	<b>1,831.29</b>	<b>1,235.00</b>	<b>10,451.00</b>	<b>17,705.80</b>	<b>68.13</b>
<b>17-May</b>	1,851.08	1,229.00	10,257.00	17,723.00	69.75
<b>18-May</b>	1,860.60	1,229.00	10,465.00	18,142.00	68.03
<b>19-May</b>	1,874.23	1,206.50	10,114.50	17,680.00	66.73
<b>20-May</b>	1,873.83	1,202.00	10,086.00	17,326.00	64.98
<b>21-May</b>	1,876.78	1,195.50	10,011.00	17,047.00	66.73
<b>Weekly Average (17 – 21 May)</b>	<b>1,867.30</b>	<b>1,212.40</b>	<b>10,186.70</b>	<b>17,583.60</b>	<b>67.24</b>
<b>Weekly Change (%)</b>	2.0	-1.8	-2.5	-0.7	-1.3

Source: BBC, KITCO and Bloomberg, 2021

### Gold

Gold prices continued on a positive trajectory, buoyed by investors' rising inflation expectations and the Federal Reserve's pledge to keep interest rates low for longer. These developments weighed down on the US dollar and rekindled investor interest in safe haven assets like gold. Against this backdrop, the price of the yellow metal rose by 2.0%, from US\$1,831.29 per ounce in the previous week to US\$1,867.30 per ounce, during the week under review.

### Platinum

Platinum prices receded on fears of sluggish industrial demand in China, where the metal is widely used in various industrial applications notably in automotive industries. This followed reports that China planned to strengthen its management of commodity consumption to curb unsustainable increases in commodity prices. Resultantly, platinum prices eased by 1.8%, from a weekly average of US\$1,235.00 per ounce in the previous week to US\$1,212.40 per ounce, during the week ending 21<sup>st</sup> May 2021.

## Copper

Copper prices were down by 2.5%, from a weekly average of US\$10,451.00 per tonne in the previous week to US\$10,186.70 per tonne, during the week under analysis. This followed the Chinese government's announcement of measures to curb rising raw material prices, which threatened to undermine the country's economic recovery.

## Nickel

Nickel prices declined by 0.7% to close the week under review at a weekly average of US\$17,583.60 per tonne. The slowdown was also attributable to investor worries about the impact of China's warning of a market crackdown, intended to keep raw material prices in check.

## Brent Crude Oil

Crude oil prices stood at US\$67.24 per barrel during the week under analysis, 1.3% down from US\$68.13 per barrel recorded in the previous week. Prices remained under pressure from renewed demand concerns, following rising coronavirus cases in Asia and fears of a global oil glut.

## 5. EXCHANGE RATE DEVELOPMENTS

During the week under review, the Zimbabwe dollar (ZWS) maintained relative stability, marginally declining by 0.1% against the greenback, from an average of ZW\$84.5797 per US\$1 in the previous week to ZW\$84.6352 per US\$1. The developments in selected exchange rates are shown in Table 5.

**Table 6: International Exchange Rates<sup>1</sup>**

	USD	ZAR	GBP	BWP	EURO
<b>2021</b>					
<b>Weekly Average (10 – 14 May)</b>	<b>84.5797</b>	<b>6.0075</b>	<b>119.0638</b>	<b>7.8925</b>	<b>102.4793</b>
<b>17-May</b>	84.6140	5.9737	119.1747	7.8780	102.6201
<b>18-May</b>	84.6140	6.0168	119.9277	7.8695	102.9417
<b>19-May</b>	84.6494	6.0496	120.0710	7.9193	103.5983
<b>20-May</b>	84.6494	6.0168	119.4869	7.9023	103.0904
<b>21-May</b>	84.6494	6.0496	120.0879	7.9066	103.5730
<b>Weekly Average (10 – 14 May)</b>	<b>84.6352</b>	<b>6.0213</b>	<b>119.7496</b>	<b>7.8951</b>	<b>103.1647</b>
<i>Appr(-)/Depr(+)</i> (%) <i>of the ZWL</i>	0.1	0.2	0.6	0.0	0.7

Source: Reserve Bank of Zimbabwe, 2021

<sup>1</sup> Direct quote – the amount of domestic currency needed to exchange for 1 unit of foreign currency

## 6. EQUITY MARKETS

The Zimbabwe Stock Exchange (ZSE) was characterised by bearish sentiments, resulting in all the major indices registering losses, during the week ending 21<sup>st</sup> May 2021. The All Share, Top 10 and Top 15 indices shed 1.06%, 3.43%, and 3.01% to close at 5 378.90 points, 3 020.61 points and 3 399.58 points, respectively.

The decline in the market indices was due to share price losses for Proplastics Limited (18.57%), Meikles Limited (16.87%), Nampak Zimbabwe Limited (16.07%), Willdale Limited (12.39%) and Padenga Holdings Limited (11%). Partially offsetting the aforementioned losses were gains in the share prices of Getbucks Financial Services Limited (126.58%), Mashonaland Holdings Limited (40.61%), Medtech Holdings Limited (30.69%), Lafarge Cement Zimbabwe Limited (26.79%) and First Mutual Properties Limited (21.36%).

The mining index, however, gained 4.68% to close at 6 626.95 points, during the period under analysis. The gain in the mining index, in large part, emanated from a 43.41% increase in the share price for RioZim Limited, which was partially offset by a 8.24% decline in the share price for Bindura Nickel Corporation Limited.

**Table 7: Zimbabwe Stock Exchange Statistics<sup>2</sup>**

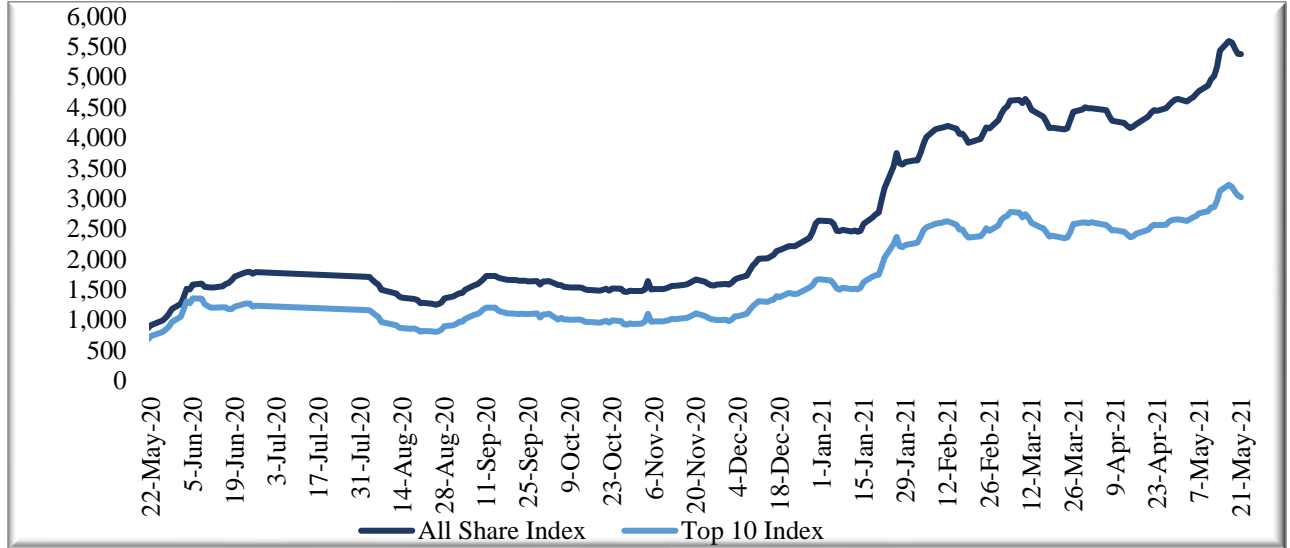
	All Share Index Points	Top 10 index (points)	Top 15 Index <sup>3</sup> points	Medium Cap <sup>3</sup> (points)	Small Cap <sup>3</sup> (points)	Mining Index (points)	Grand Market Capitalization (ZWL million)	Market Turnover (ZWL million)	Volume of Shares (million)
<b>16-April-21</b>	4 226.47	2 421.68	2 757.75	10 225.21	46 792.22	5 296.93	493.10	679.26	36.22
<b>23-April-21</b>	4 444.19	2 563.85	2 918.92	10 706.35	43 231.89	4 774.73	517.58	811.04	70.70
<b>30-April-21</b>	4 641.11	2 660.37	3 023.66	11 330.52	43 054.55	5 061.28	540.75	939.24	50.20
<b>7-May-21</b>	4 774.55	2 758.97	3 116.33	11 501.55	46 133.62	5 438.60	557.68	481.55	27.92
<b>14-May-21</b>	5 436.39	3 127.76	3 505.18	13 264.23	49 596.70	6 330.54	635.98	657.83	34.79
<b>21-May-21</b>	5,378.90	3,020.61	3,399.58	13,535.04	58,524.39	6,626.95	630.14	2 140.53	90.589
<b>% Change</b>	<b>-1.06</b>	<b>-3.43</b>	<b>-3.01</b>	<b>2.04</b>	<b>18.00</b>	<b>4.68</b>	<b>-0.92</b>	<b>225.39</b>	<b>160.39</b>

Source: Zimbabwe Stock Exchange (ZSE), 2021

<sup>2</sup> The Zimbabwe Stock Exchange (ZSE) adopted the Global Industry Classification Standards, effective from 1 January 2020. The ZSE indices constitute the following categories; Top 10 Index; Top 15; Top 25; Medium cap and Small cap Indices.

Figure 1 shows developments on the ZSE's All Share, Top 10 and mining indices for the period from the 22<sup>nd</sup> May 2020 to the 21<sup>st</sup> May 2021.

**Figure 3: Zimbabwe Stock Exchange All Share and Top 10 Indices**

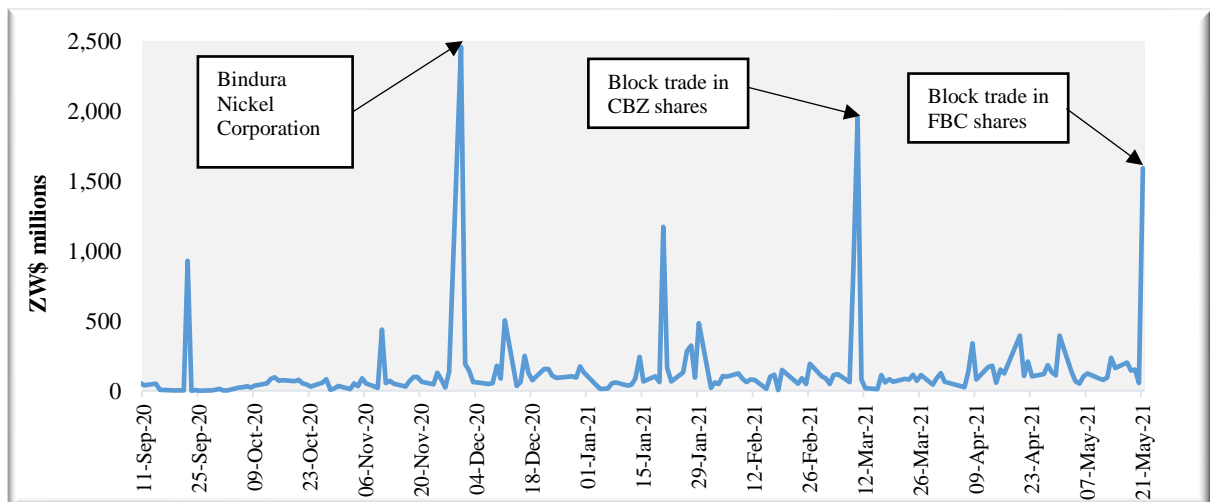


Source: Zimbabwe Stock Exchange, 2021

### Market Turnover and Volume

During the week under review, the cumulative volume and value of shares traded increased by 160.43% and 225.39% to 90.59 million shares and ZW\$2.14 billion, respectively. The increase in market turnover was largely a result of a negotiated deal in which 43.9 million FBC Holdings Limited shares, worth ZW\$1.3 billion, exchanged hands at 29.6 cents. Figure 2 shows the trend in daily market turnover for the period from 11<sup>th</sup> Sept 2020 to 21<sup>st</sup> May 2021.

**Figure 4: Daily Market Turnover**



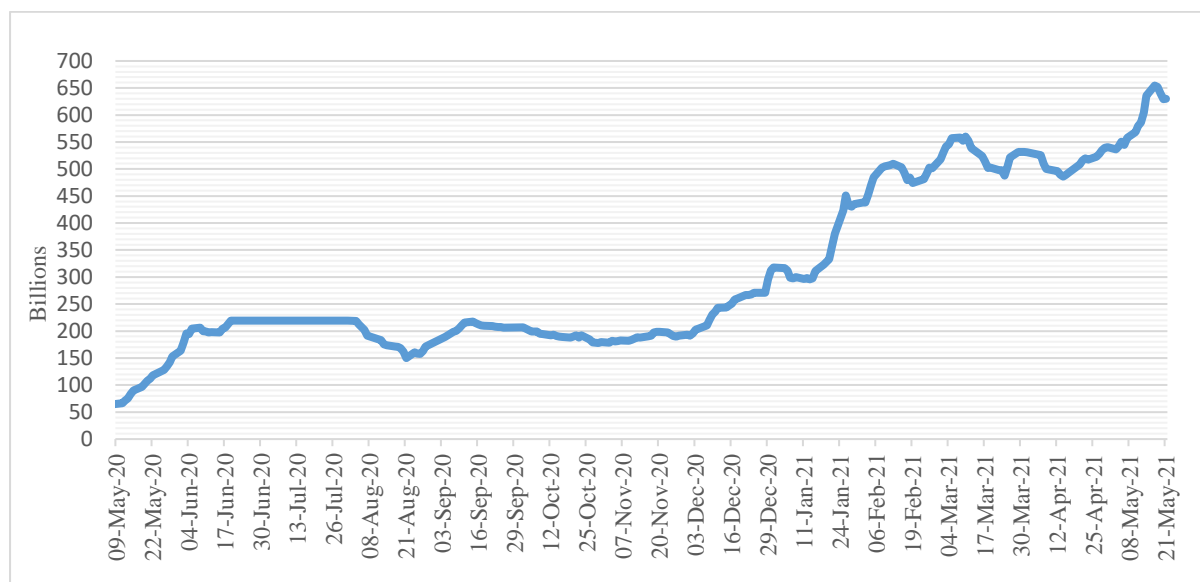
Source: Zimbabwe Stock Exchange, 2021



## Market Capitalization

The local bourse lost ZW\$5.84 billion, or 0.92% worth of market capitalisation to close at ZW\$630.14 billion, during the week under review.

**Figure 5: Daily Market Capitalization in ZW\$ billions**



Source: Zimbabwe Stock Exchange, 2021

## Johannesburg Stock Exchange (JSE) Developments

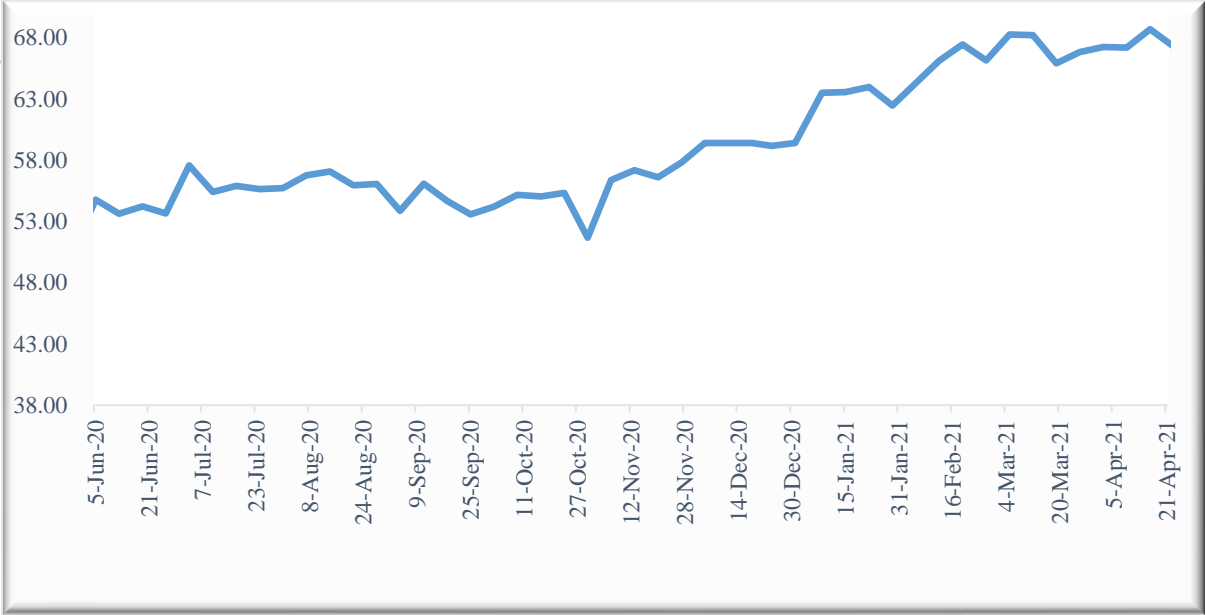
During the week under review, the Johannesburg Stock Exchange (JSE) All share index fell by 0.54% to close at 66,238.93 points, from 66,598.13 points in the previous week. Similarly, JSE market capitalization declined by 1.57% to close at ZAR18.83 trillion, during the same week.

**Table 8: Johannesburg Stock Exchange (JSE) Statistics**

Period	All Share Index (points)	Market Capitalization (ZAR trillions)
16-April-21	68,698.78	19.63
23-April-21	67,295.74	19.33
30-April-21	66,937.00	19.31
7-May-21	68,519.53	19.59
14-May-21	66,598.13	19.13
21-May-21	66,238.93	18.83
<b>% Change</b>	<b>-0.54</b>	<b>-1.57</b>

Source: <https://www.jse.co.za/services/market-data/market-statistics>

**Figure 6: Johannesburg Stock Exchange (JSE) All Share Index**



Source: <https://www.jse.co.za/services/market-data/market-statistics,2021>

**RESERVE BANK OF ZIMBABWE**

## APPENDIX 1: FOREIGN EXCHANGE AUCTION RESULTS FOR MAINFX<sup>3</sup> AND SMEFX<sup>4</sup>

	MAINFX				SMEFX			
	30-Apr-21	7-May-21	14-May-21	21-May-21	30-Apr-21	7-May-21	14-May-21	21-May-21
<b>Total Bids (US\$ dollars)</b>	31,387,680.99	32,854,222.02	36,536,482.42	36,360,964.93	4,385,395.92	4,513,404.05	5,089,085.21	6,167,533.19
<b>Amount Allotted (US\$ dollars)</b>	31,387,680.99	32,854,222.02	36,536,482.42	36,360,964.93	4,385,395.92	4,513,404.05	5,089,085.21	6,167,533.19
<b>Highest Rate</b>	87.3	87	88	89	88	88.5	88.5	90
<b>Lowest Rate</b>	82	82	82	82	82	82	82	82
<b>Lowest Accepted Rate</b>	82	82	82	82	82	82	82	82
<b>Weighted Average Rate</b>	84.5032	84.5282	84.6140	84.6494	84.5032	84.5282	84.6140	84.6494
<b>Number of Bids Received</b>	335	328	382	370	352	328	362	445
<b>Number of Bids Rejected</b>	70	47	47	40	59	30	33	44

*Source: Reserve Bank of Zimbabwe, 2021*

<sup>3</sup> Main Foreign Currency Auction

<sup>4</sup> Small and Medium Enterprises Foreign Currency Auction

## APPENDIX 2: SUMMARY OF FOREIGN CURRENCY AUCTION ALLOTMENTS BY PURPOSE

Purpose	MAINFX				SMEFX			
	30-Apr-21	7-May-21	14-May-21	21-May-21	30-Apr-21	7-May-21	14-May-21	21-May-21
<b>Raw Materials</b>	12,746,653.11	11,097,737.19	16,412,069.18	14,096,917.34	990,218.19	1,061,417.15	1,193,446.14	1,435,735.01
<b>Machinery and Equipment</b>	5,526,550.37	6,798,893.55	6,507,907.31	6,645,605.09	934,414.01	1,165,482.55	1,327,093.83	1,374,209.84
<b>Consumables (Incl. Spares, Tyres, Packaging)</b>	2,358,267.78	3,049,059.44	3,344,573.54	3,275,512.08	1,124,974.63	1,015,479.29	1,097,024.55	1,292,674.62
<b>Pharmaceuticals and Chemicals</b>	1,624,061.22	2,859,485.22	2,087,994.87	2,798,134.81	297,221.30	220,705.98	295,113.59	432,355.91
<b>Services (Loans, Dividends and Disinvestments)</b>	2,018,322.78	3,609,117.67	3,166,705.23	3,813,997.19	265,386.45	312,326.14	338,693.52	499,484.30
<b>Retail and Distribution</b>	2,609,517.37	2,921,182.93	2,480,283.20	3,418,523.43	355,253.43	377,506.63	454,994.39	571,009.09
<b>Fuel, Electricity and Gas</b>	3,348,728.98	2,020,617.70	1,446,674.21	1,297,258.26	265,435.96	124,209.35	157,948.86	237,187.42
<b>Paper and Packaging</b>	1,155,579.38	498,128.32	1,090,274.88	1,015,016.73	152,491.95	236,276.96	224,770.33	324,877.00
<b>TOTAL</b>	<b>31,387,680.99</b>	<b>32,854,222.02</b>	<b>36,536,482.42</b>	<b>36,360,964.93</b>	<b>4,385,395.92</b>	<b>4,513,404.05</b>	<b>5,089,085.21</b>	<b>6,167,533.19</b>

Source: Reserve Bank of Zimbabwe, 2021